THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) Under the Senior Citizen Savings Scheme, 2004 administered by banks and post offices, interest at the rate of 9 percent per annum is given to such persons who have attained the age of 60 years as well as to persons who have attained the age of 55 years or more but less than 60 years, and who have retired on superannuation or otherwise. Other savings schemes or bank deposits receive different interest rates depending upon the nature and duration of the deposit.

(b) Under the provisions of the Income Tax Act, tax is required to be deducted at source if the amount of interest payable during a financial year exceeds Rs. 5,000/-.

(c) For claiming exemption from TDS, a person of sixty-five years of age or above may furnish a declaration in Form No. 15H to the bank/post office, if the tax on his estimated income for the financial year is *nil*.

A person of less than sixty-five years of age may claim exemption from TDS by filing a declaration in Form No. 15G provided that—

(i) the tax on his estimated total income for the financial year is *nil* and,

(ii) the aggregate amount of interest credited or paid or likely to be credited or paid during the financial year is not more than the maximum amount which is not chargeable to tax (Rs. 1,00,000/- for male taxpayers and Rs. 1,35,000/- for a woman taxpayer).

*(Both the conditions are required to be fulfilled.)*

(d) There is already a special scheme under section 197A(1C) of the Income Tax Act, as described in para (c) above, whereby a senior citizen may, on filing of appropriate declaration, get exemption from TDS.

**Write off of Rs. 85,000 crore tax arrears**

*36. SHRI TAPAN KUMAR SEN:
SHRI MOINUL HASSAN:

Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to write off Rs. 85,000 crore tax arrears as 'non-recoverable' out of the outstanding Rs. 1,19,000 crore tax arrears due till 2003-04, if so, the reasons therefor;

(b) what are the details of the tax defaulters; and

(c) why Government are justifying reduction in subsidies and sale of Government shares in PSUs and on the other hand thousands of crores of rupees doled out to the corporate and are now moving to write off Rs. 85,000 crores?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) No, Sir. Only absolutely irrecoverable arrears of taxes are written off as per the detailed procedure laid down in this regard on a case-to-case basis. There is no proposal under consideration of the Government to write off non-recoverable demand in a summary manner.

(b) The outstanding arrers of taxes as on 31.12.2006 are as under:—

(i) Direct Taxes — Rs. 95,698 crores

(ii) Indirect Taxes — Rs. 25,802 crores

The details of the tax defaulters is quite bulky and the time and labour involved in its collection/compilation may not be commensurate with the objectives sought to be achieved.

(c) In view of reply to part (a) above, the question does not arise.

**Domestic LPG subsidy**

*37. SHRI T.T.V. DHINAKARAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the amount of subsidy given on domestic LPG during the last three years;

(b) the consumption of domestic LPG during the last three years, year-wise;

(c) whether Government propose to phase out subsidy on domestic LPG; and

(d) if so, the measures proposed to be taken to provide domestic LPG at affordable rates to the consumers, particularly the lower middle class?